

California and the Future of Energy

UCLA Anderson Forecast



***Fossil Fuel and Alternative Energy:
Where are we today and what's around the
corner?***

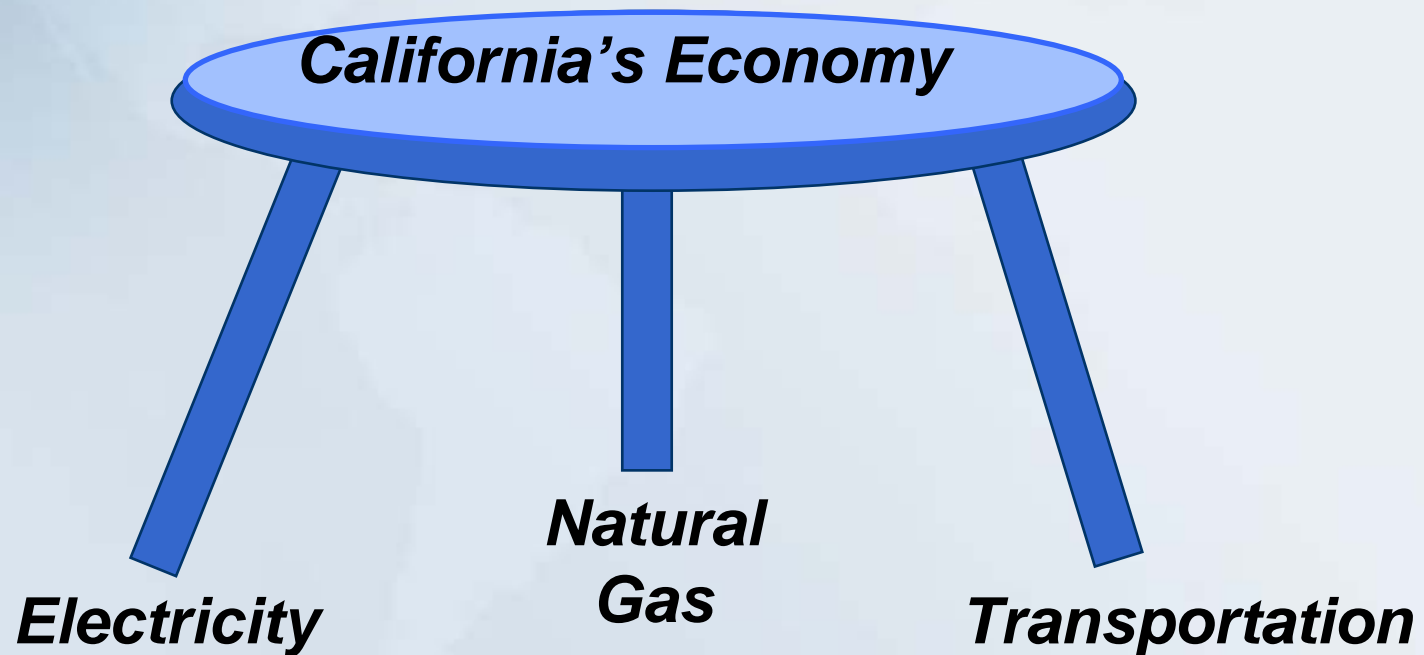
September 28, 2006

***James D. Boyd, Commissioner
California Energy Commission***

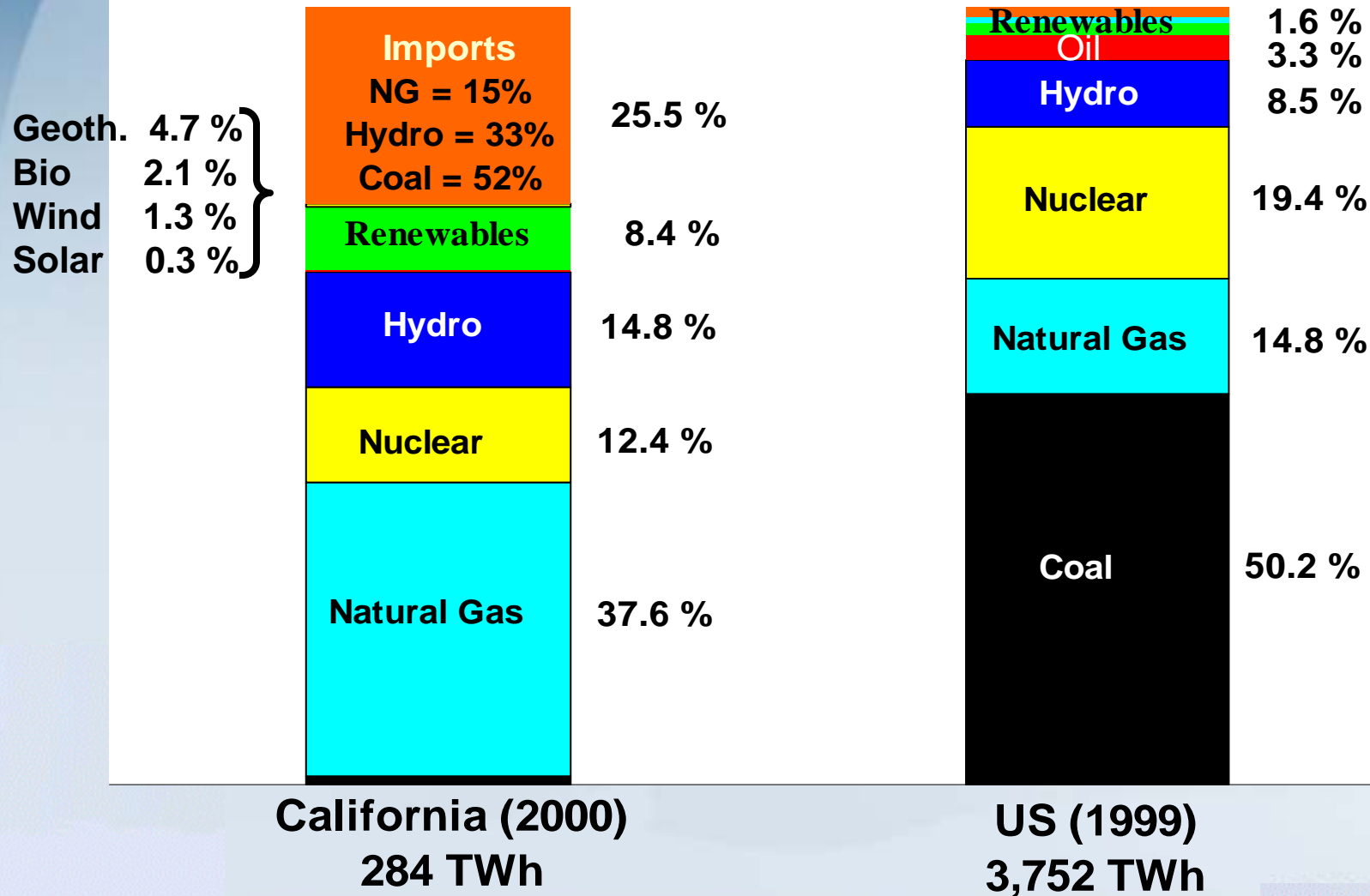
The Nation-State of California

- 5th largest economy in the world
- Population growth: 1980-2000: 1.9%, 2000-2020: 1.4% projected
- Population – expected to grow from 36 million now to 45 million by 2025
- Vehicle Miles Traveled: 1980-2000 increased 3.3% per year
- 5th largest consumer of energy in the world
- 2nd largest consumer of gasoline and diesel in the world – only the US consumes more
- Approximately 26 million registered vehicles
- \$150 million for gasoline and diesel spent daily

Three-Legged Energy Stool



California versus US Electricity Supply



The Nation State of California

- ***Fuel Supply/Refinery Capacity stretched and import capability also a limiting factor, resulting in price volatility***
- ***Price Volatility equals a Consumer Tax***
- ***Consumer Tax from the 2004-5 price excursion equals about \$500 million per month – no difference in product***

California's Actions

- Governor call for a Biofuels Action Plan; in response to 2003 Energy Report
- Governor Schwarzenegger releases Executive Order for the Biofuels Action Plan (4/25/06)
- AB 1007 passed and signed by Governor, fall 2005; calls for “long-term plan for increased use of alternative fuels”